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MITCHELL M. WILLOUGHBY JOHN M.S. HOEFER ELIZABETH ZECK* PAIGE J. GOSSETT RANDOLPH R. LOWELL K. CHAD BURGESS NOAH M. HICKS II**

*ALSO ADMITTED IN TX **ALSO ADMITTED IN VA

March 21, 2005

VIA HAND DELIVERY

The Honorable Charles Terreni Chief Clerk/Administrator South Carolina Public Service Commission 101 Executive Center Drive Columbia, South Carolina 29210



Dear Mr. Terreni:

Enclosed for filing in the above-captioned matter is the Response in Opposition to SMI Steel's and SCEUC'S Joint Motion to Postpone Hearing. Please accept the original and ten (10) copies for filing. Please acknowledge your receipt of these documents by file stamping the enclosed extra copies and then returning these file stamped copies via the courier.

By copy of this letter, I am also serving the General Counsel of the Office of Regulatory Staff with this Response in Opposition as well as all intervenors and attach a certificate of service to that effect.

Copies of this response are also being provided for distribution to each Commissioner, for their consideration at the agenda meeting currently scheduled for 2:30 p.m. on March 22, 2005 in connection with SMI'S and SCEUC's joint motion.

If there are any questions regarding this matter, please do not hesitate to contact me.

Very truly yours,

Mutchell Willow

Mitchell Willoughby

MW/jmb enclosures

(Continued)

cc: Catherine D. Taylor, Esquire

Florence Belser, Esquire Scott Elliott, Esquire John F. Beach, Esquire

Damon E. Xenopoulos, Esquire

Dr. James Spearman Jocelyn Boyd, Esquire

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2005-2-E

| IN RE: |) | | |
|---|---|-------------------------------|--|
| |) | ä ä | |
| South Carolina Electric & Gas Company - |) | RESPONSE IN OPPOSITION TO SMI | |
| Annual Review of Base Rates for |) | STEEL'S AND SCEUC'S JOINT | |
| Fuel Costs |) | MOTION TO POSTPONE HEARING | |
| |) | | |

On March 18, 2005, Intervenors SMI Steel – South Carolina ("SMI") and South Carolina Energy Users Committee ("SCEUC") jointly moved to postpone the scheduled hearing in this proceeding ("Motion to Postpone"). South Carolina Electric & Gas Company ("SCE&G"), through undersigned counsel, opposes the Motion to Postpone. The motion is untimely, appears to be a dilatory tactic, has no basis in fact or law, misstates fundamental facts, and should be denied.

FACTS

The Notice of Hearing was filed November 19, 2004. SCE&G provided bill inserts notifying customers of the hearing in the December bills to customers. SCEUC filed a motion to intervene on December 20, 2004. On January 25, 2005, SCE&G met with SCEUC as part of its continuing effort to inform customers about fuel costs and other matters impacting the cost of service. During this meeting, SCE&G informed the representatives of SCEUC of the general magnitude and reasons for the fuel factor increase. See Exhibit A (copy of a presentation made to SCEUC on January 25, 2005, which included information related to fuel costs). During these

¹ SCE&G and representatives of SCEUC also participated in a conference call on March 4, 2005, to discuss the fuel cost proceeding and related issues.

information exchanges, SCE&G informed the representatives of SCEUC that its preliminary analysis indicated that the fuel factor would increase by a millage rate probably ranging between five (5) and seven (7) mills. The actual requested increase is in the bottom half of this range (actually 5.78 mills).

On January 21, 2005, the Commission issued a schedule requiring SCE&G to file testimony on March 2, with intervenor testimony due March 16. See Exhibit B. The hearing was initially scheduled for March 30, 2005. On January 27, 2005, the Office of Regulatory Staff ("ORS") served its first data requests on SCE&G. SMI chose to wait until the last day to seek to intervene. Its Motion to Intervene was received by the Commission on February 1, 2005.² On February 25, 2005, ORS served SCE&G with a second data request. On March 2, 2005, SCE&G pre-filed with the Commission and served on SMI and SCEUC the testimony of its witnesses. On March 8, 2005, due to issues related to the Commission's calendar, the Commission postponed for one week all remaining deadlines, including the date for SMI and SCEUC to file testimony and the hearing date. The effect of this postponement was that SMI and SCEUC were provided with an additional week to review the pre-filed testimony of SCE&G and to otherwise prepare their cases. On March 16, 2005, SMI filed a motion to admit its out-of-state counsel *pro hac vice*, and then on March 18 filed the motion to postpone the hearing.

FUEL COST STATUTE

Pursuant to South Carolina Code Ann. section 58-27-865(B), each electrical utility must submit to the Commission its estimates of fuel costs for the next twelve (12) months. Specifically, the statute states: "The commission shall direct each electrical utility which incurs fuel cost for the sale of electricity to submit to the commission . . . its estimates of fuel costs for

² The deadline for a motion to intervene was January 31, 2005, as established in the Notice of Hearing.

the next twelve months." This procedure was established over 20 years ago and requires utilities to "true-up" the costs of fuel included in the cost of service, given the inherent uncertainty in forecasting fuel prices when setting rates. A public hearing is to be held between the twelve-month review periods. S.C. Code Ann. § 58-27-865(B) (stating that the Commission may hold hearings "at any time between the twelve-month reviews" and that "public hearings to be held every twelve months. . . ."). Following an investigation of these estimates and after the public hearing, the Commission directs each electrical utility "to place in effect in its base rate an amount designed to recover, *during the succeeding twelve months*, the fuel costs determined by the Commission to be appropriate for that period, adjusted for the over-recovery or under-recovery from the preceding twelve month period." Id. (emphasis added); see Order No. 2005-32 at 6. This statutory scheme establishes successive twelve-month periods implementing a base fuel factor determined by the Commission in a hearing prior to the end of one twelve-month period for the utility to charge in the succeeding twelve-month period.

The Commission order issued in Docket No. 2004-2-E, SCE&G's most recent fuel adjustment proceeding, sets the base fuel factor for the period of May 2004 through April 2005. Order No. 2005-32 at 9. Thus, to be consistent with the statute, the Commission must make a ruling in this proceeding before the end of April 2005, establishing the new fuel factor for the twelve-month period beginning with the first billing cycle in May 2005 and ending with the last billing cycle of April 2006. While SCE&G opposes any extension of time, if one is granted, it should be sufficiently short to allow the Commission time to complete its work and make its decision prior to the end of April 2005. For example, in SCE&G's fuel adjustment proceeding last April, in which SCEUC was a party, the hearing was held on April 21 and 22 and the Commission ruled on April 27, allowing the implementation of the new base fuel factor in the

first billing cycle in May 2004. In accordance with the statutory mandate, that base fuel factor was approved for the twelve-month period beginning in May 2004 and ending in April 2005, which necessitates a decision by the Commission before the end of April to implement a new fuel factor for the next succeeding twelve-month period beginning in May 2005 and ending in April 2006. Such a time schedule is needed to comply with the requirements of section 58-27-865 and for the practical purpose of maintaining the uniformity and consistency needed by the utility and its customers and consistent with the Commission's long standing practice and custom.

ARGUMENT

While the movants have failed to cite the applicable Commission Rule, the motion can only have been made pursuant to Rule 103-862, which provides as follows:

Any party of record desiring a continuance shall, immediately upon receipt of notice of the hearing or as soon thereafter as facts requiring such continuance come to its knowledge, notify the Executive Director, stating in detail the reasons why such continuance is necessary. Unless good cause is shown, no such continuance shall be granted.

Therefore, it is incumbent upon SMI and SCEUC to demonstrate good cause to postpone the hearing date. Given the facts of this matter, it appears that the motion's primary purpose is to delay the hearing and the implementation of a new and valid fuel adjustment, which is certainly not good cause.

This fuel cost adjustment proceeding occurs annually at approximately the same time every year, which belies SMI's and SCEUC's attempt to characterize this proceeding as "extraordinary." The only thing "extraordinary" in this case is that SMI and SCEUC claims lack of notice about and lack of time to complete its review of a proceeding that has been an annual event for over 20 years. SCEUC made no such motion or argument in SCE&G's fuel adjustment

proceeding last year after it intervened two months later than it intervened in the current proceeding.

The real cause for the requested postponement is SMI's and SCEUC's own delays, tardiness, and inaction. SMI chose to wait until the very last date to even seek to intervene in the case, and then SMI and SCEUC chose to do absolutely nothing in terms of formal discovery until they filed discovery demands on March 8 and March 9, respectively. They insinuate that they required the pre-filed testimony to make discovery requests. ORS, however, did not need to wait. In fact, ORS propounded two sets of discovery requests, one on January 27 and another on February 25, before either SMI or SCEUC troubled themselves to serve discovery requests. And while SCEUC and SMI lament not receiving responses to their discovery requests from SCE&G earlier than the Commission's rules require, SMI and SCEUC fail to mention that SCE&G provided them each with three volumes (3 large three-ringed binders) of the responses to ORS's data requests, which data provides support for the fuel charge increase requested and SCE&G's testimony. These volumes were provided to SMI on March 10 and 11 and to SCEUC on March 10 and 15. In fact these data responses provide much of the information that SMI and SCEUC requested in their discovery requests. Nevertheless, for reasons known only to SMI and SCEUC, they both waited until the eve of the hearing to engage in any formal discovery. As of its due date of Friday, March 18, 2005, SMI was provided responses to its discovery requests.³ Also, as of its due date of Monday, March 21, 2005, SCEUC will be provided with responses to its discovery requests and SMI will be provided with copies thereof.

SCE&G is surprised by SCEUC joining in the motion with SMI. SCEUC intervened in this matter on December 20, 2005. Additionally, SCE&G held a meeting with representatives of

³ SCEUC was also provided with copies of the responses to SMI discovery requests on March 18, 2005.

SCEUC in January 2005 and conducted a telephone conference on March 4 during which the fuel clause proceeding was discussed, along with the proposed increase and the justification for the increase. For SCEUC to now assert that the pre-filed testimony was its "first notice" of the proposed increase is simply not accurate. In fact, one of the responses to an ORS data request includes a copy of a presentation made to SCEUC on January 25, 2005, showing an increase in fuel (coal) costs. See Exhibit A.

When applying these undisputed facts to Commission Rule 103-862, it is clear that no sufficient and reasonable cause exists to continue the hearing date. The real cause underlying SMI's and SCEUC's motion is that they desire more time to prepare because they delayed in acting. However, "a party cannot complain of an error which his own conduct has induced." State v. Babb, 299 S.C. 451, 454, 385 S.E.2d 827, 829 (1989) (affirming denial of a motion for continuance when the "shortage of time to prepare" was the fault of the party itself); see Beasley v. Kerr McGee Chemical Corp., 273 S.C. 523, 276 S.E.2d 756 (1979) (affirming denial of motion for continuance made immediately before trial on the ground of inadequate time to prepare).

Commission Rule 103-862 makes it clear that the party seeking a continuance must act "immediately upon receipt of notice of the hearing or as soon thereafter as facts requiring such continuance come to its knowledge." SMI and SCEUC did neither. On notice of the initial testimony filing schedule issued on January 21, 2005, neither SMI nor SCEUC acted or requested any modification or relief from the proposed schedule until March 18, nearly two months later and on the very eve of their testimony being due. Even on March 7, after receiving SCE&G's pre-filed testimony, just nine days from the day their own pre-filed testimony was due, and without any further discovery in hand, neither SMI nor SCEUC raised any objection to the

scheduling of the March 30 hearing. Then, on March 8, the schedule was modified and SMI and SCEUC benefited from an extension of one week, allowing them to postpone filing their prefiled testimony until March 23 with a hearing date of April 6. SMI and SCEUC then served discovery requests on March 8 and 9. On March 10-11 and 15 they were provided with copies of the three volumes of responses made to ORS data requests. SMI and SCEUC remained silent, however, waiting, delaying, and, as far as we know, doing nothing except looking for an excuse to delay the hearing. Their current motion is nothing more than a late request for a continuance based on their own failure to act prudently and in a timely manner. Given these facts, the request of SMI and SCEUC for more time to explore discovery and develop testimony is without merit or justification.

The fuel hearing pending before the Commission is limited in scope and clearly set forth by statute. This matter involves an adjustment to recognize the costs of fuel required to provide electrical service. SMI and SCEUC have been provided with significant discovery materials via copies of responses made to discovery requests made by ORS. Responses to SMI's and SCEUC's discovery requests have been or will be timely made. In summary, SMI and SCEUC have had more than adequate time to explore the narrow issues in this proceeding and prepare their testimony. See Daniel J. Hartwig Assocs., Inc. v. Kanner, 913 F.2d 1213, 1222-1223 (1990) (affirming denial of a continuance where "litigant fail[ed] to take advantage of opportunities to conduct discovery").

CONCLUSION

In conclusion, because SMI and SCEUC have failed to demonstrate good cause for any continuance, the motion to postpone the hearing should be denied.

Respectfully submitted,

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Phone: (803) 217-9356 cdtaylor@scana.com

March 21, 2005 Columbia, South Carolina

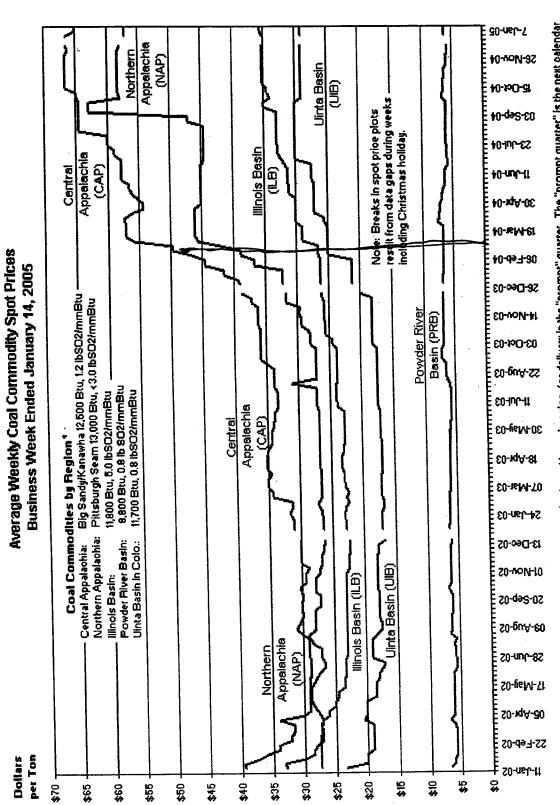
SCEUC MEETING

Fuel Matters

January 25, 2005

SCEUC MEETING

Coal Markets and Actual 2004



*Coal prices shown are for a relatively high-Btu coal selected in each region, for delivery in the "prompt" quarter. The "prompt quarter" is the next calendar quarter, with quarters shifting forward after the 15th of the month preceding each quarter's end.

Source: with permission, selected from listed prices in Platts Coal Gutlock, "Weekly Price Survey."

Example of a Current Spot Coal Purchase If Made Today

12,500 BTU/lb Coal, 1% sulfur, Central Appalachian Origin

Price/ fob Mine

\$58.00/ton

Freight

\$14.50/ton

Total Delivered

\$72.50/ton = \$2.90/MMBTU

2004 \$/MMBTU-Delivered Coal Cost

| Month | \$/MMBTU |
|--------------|----------|
| January | 2.08 |
| February | 1.88 |
| March | 1.90 |
| April | 2.05 |
| May | 2.01 |
| June | 2.12 |
| July | 1.96 |
| August | 2.13 |
| September | 2.23 |
| October | 2.10 |
| November | 2.22 |
| December | 2.09 |

SCEUC MEETING

Fuel Forecasting

COAL BURN PROJECTIONS - December 2004 USING WEIGHTED-AVERAGE COAL COSTS AT ALL PLANTS EXCEPT WILLIAMS

(January 2005 -December 2005)

| 1410 | 10101 | 1 751 353 | 2011211 | 1,920,316 | 007 737 | 1041400 | 673,320 | 187 964 | | 949,805 | 97 4 67 | 1/5,540 | 141,897 | | 317,443 | 6,792,434 | • | |
|-------------------|-----------|-----------|-----------|-----------|-----------|----------|---------|---------|----------|---------|---------|---------|---------|----------|---------|-----------|-----------|---------|
| ٠ | December | 440 706 | 148,190 | 159,706 | 900 | 000'00 | 61,105 | 10.330 | 020,81 | 96,292 | | 14,909 | 12,052 | | 26,961 | 599.267 | | |
| | November | | 147,286 | 137,579 | | 63,326 | 52,649 | | 14,521 | 92,783 | | 14,428 | 11 663 | | 26,091 | E24 225 | 24,500 | - |
| | October | | 121,829 | 153 670 | | 49,720 | 55,438 | | 20,079 | 101.342 | | 14,909 | 42.052 | 12,00 | 26,961 | | 850,826 | |
| | September | l | 152,316 | 478 993 | Coo'o / I | 63,763 | 56.652 | 1 | 19,642 | 05 717 | | 14,428 | - 6 | 11,653 | 26,091 | • | 591,063 | |
| | August | | 157,985 | | 184,372 | 98,337 | 170 04 | 20,00 | 23,269 | 170 | 102,740 | 14,909 | | 12,052 | 26.961 | | 656,713 | |
| (IN TONS OF COAL) | Ą | | 147 664 | | 183,883 | 98.314 | | 16/,19 | 23 433 | | 102,329 | 14 909 | | 12,052 | 26 DR1 | 100'07 | 654,336 | : |
| (IN TONS | <u>.</u> | | 070 071 | 152,640 | 178,675 | 700 | 271,08 | 59,004 | 400 | 186,12 | 98,325 | 907 | 14,420 | 11,663 | - 6 | 160,02 | 620 449 | 24.070 |
| | | May | • | 158,135 | 182,654 | 100 | 196,18 | 61,753 | - 1 | 22,436 | 101,523 | | 14,909 | 12.052 | | 26,961 | 000 010 | 850'nco |
| | : | April | | 116,417 | 127,005 | | 83,101 | 50,926 | | 3,077 | 68 754 | 3 | 14,428 | 11.663 | 201 | 26,091 | | 475,372 |
| | | March | | 154,018 | 149 746 | | 84,050 | 44.296 | | 0 | c | > | 14,909 | 000 | 7c0'7L | 26,961 | -1 | 459,071 |
| e. | | Cohritary | ב מאו ממו | 134,358 | 707 | 13., 104 | 82,517 | 40 744 | , d | 2,547 | • | 0 | 13,467 | 1 | 10,885 | 24.352 | | 424,588 |
| | | | Jannary | 148,699 | | 155,040 | 92,525 | 1 | 56,995 | 18,257 | | 89,994 | 14.909 | | 12,052 | 28 DR1 | | 588,472 |
| | | | | | Villeams | Wateree | Conadvs | | McMeekin | Tod: | O della | Cope | i d | SKS Elec | SRS Stm | . ! | SRS Total | TOTAL |

2002

12/13/04

Revised: Based on Burn Fcast:

| | | 5,278,500 (5,041,083) | 1,978,967 | 7,257,467 (6,792,434) 921,733 |
|---|---|---|---|--|
| | Projected <u>DEC</u> | 649,165 428,000 (449,471) 627,694 | 309,789 150,000 (149,796) 309,993 | 958,954 578,000 (599,267) 937,687 |
| 12/13/04 | Projected <u>NOV</u> | 598,114 438,000 (386,949) 649,165 | 307,075 150,000 (147,286) 309,789 | 905,189 588,000 (534,235) 958,954 |
| | Projected <u>OCT</u> | 577,324 428,000 (407,210) 598,114 | 278,904 150,000 (121,829) 307,075 | 856,228 578,000 (529,039) 905,189 |
| | Projected <u>SEPT</u> | 588,071 428,000 (438,747) 577,324 | 281,220 150,000 (152,316) 278,904 | 869,291 578,000 (591,063) 856,228 |
| Burn Fcast | Projected <u>AUG</u> | 638,799 448,000 (498,728) 588,071 | 289,205 150,000 (157,985) 281,220 | 928,004 598,000 (656,713) 869,291 |
| Based on Burn Fcast: | Projected <u>JULY</u> | 707,471 428,000 (496,672) 638,799 | 296,869 150,000 (157,664) 289,205 | 1,004,340 578,000 (654,336) 928,004 |
| ,4 | Projected JUNE | 746,072 438,000 (476,601) 707,471 | 299,717 150,000 (152,848) 296,869 | 1,045,789 588,000 (629,449) 1,004,340 |
| | Projected <u>MAY</u> | 780,766 458,000 (492,694) 746,072 | 307,852 150,000 (158,135) 299,717 | 1,088,618 608,000 (650,829) 1,045,789 |
| · | | 701,721 438,000 (358,955) 780,766 | 274,269 150,000 (116,417) 307,852 | 975,990 588,000 (475,372) 1,088,618 |
| | Projected Projected Projected FEB MARCH APRIL | 588,774 418,000 (305,053) 701,721 | 278,287 150,000 (154,018) 274,269 | 867,061 568,000 (459,071) 975,990 |
| 4 | Projected <u>FEB</u> | 471,004 408,000 (290,230) 588,774 | 152,645 260,000 (134,358) 278,287 | 623,649 668,000 (424,588) 867,061 |
| ember 2004 | Projected IAN | 390,277 520,500 (439,773) 471,004 | 82,377 218,967 (148,699) 122,645 | 472,654 739,467 (588,472) 623,649 |
| y mary | Status > 2005 | | | |
| Coal Inventory mary Actuals through December 2004 | | SCE&G Beginning Coal Reccipts Lcss consumed Ending Coal | GENCO Beginning Coal Receipts Less consumed Ending Coal | SYSTEM Beginning Coal Receipts Less consumed Ending Coal |

| | | | | | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---------------------|---|--------|-------------|---------|----------|---------|---------|---------|-------------|--------|----------------|---------|---------------|------------|------------|------------|----------|--------|-------------|-------|-------|--------|-------------|-------|------------|------------|-------|---|-------------|------------------|-------------------|--------|-------------|--------|------------|-------------|---------|---------|---------|---------|------------|--------------|-------------|--|
| | *************************************** | 101AL | 20,000 | 40,000 | 000,020 | 000,000 | 300,000 | 290,500 | 648,000 | 20,000 | 380,000 | 832,000 | 20,000 | 20,000 | 0 | o c | 400.000 | 0 | 0 | 0 | 0 00 | 0 | 0 | 0 (|) C | 0 | O) | 5,278,500 | | ang Albert | | - | TOTAL | 0 | 58,124 | 550,000 | 220,000 | 720,000 | 75,018 | 000,022 | 30,000 | 01 | 1,978,967 | |
| | Projected | DEC | 000 | 0 | 000, | 20,000 | 30,000 | 20,000 | 2000 | 0 | 30,000 | 20,000 | | o. | <u> </u> | | | | C | 0 | 0 | | C Market | - (| - |) O | 0 | 428,000 | | 107 4 - 9 | 1000- 2 | Name (| | - - | | | 2000 | | | 0 | 0 | CI Market | 150,000 | |
| | ojected | NOV | 20,000 | 0 | 44,000 | 20,000 | 40,000 | 20,000 | 54.000 | 0 | 30,000 | 20,000 | 000'11 | 0 | 0 | 0 | 30.00 | 0000 | c | c | 0 | 000,02 | • 0 | 0 | | | 0 | 438,000 | | | | | ه ا | 0 | - | | 20,000 | 000'09 | 0 8 | 000,02 | c | 01 | 150,000 | rd e |
| | Projected | 130 | 20,000 0 | 0 | 44,000 | 20,000 | 30,000 | 20,000 | 0 000 8.5 | 0 | 30,000 | 20,000 | 000,07 | | 0 | C | 0 | 000,00 | ,0 | 0 | 0 | 90,000 | | 0 | 0 0 | - c | | 428,000 | | | | | i I I | 0 | 0 | 0 00 | 20,000 | 60,000 | 0 | 20,000 | | 0 | 150,000 | |
| | Projected | SEPT | 20,000 | 0 | 44,000 | 20,000 | 30,000 | 20,000 | 0 00 | 04,000 | 30,000 | 20,000 | 000'07 | | o | 0 | 0 | 30,000 | • 0 | | 0 | 30,000 | 0 | | c (| c c | , | 428,000 | | | | | SEPT | | 0 | 0 | 20,000 | 000'09 | c | 20,000 | | o' 0 | 150,000 | |
| | Projected | AUG | 20,000 | 10,000 | 44,000 | 20.000 | 40,000 | 20,000 | 0 86 | 04,000 | 30,000 | 20,000 | 70,000 | | | 0 | 0 | 30,000 | - - | · c | 0 | 30,000 | | 0 | c | 0 0 | | 448,000 | | | | | AUG | | C | 0 | 20,000 | 000'09 | 0 | 20,000 | 9 6 | | 000'051 | |
| | Projected | JULY | 20,000 | . 0 | 44,000 | 0 000 | 30,000 | 20,000 | 0 | 54,000 | 30.000 | 20,000 | 000,07 | 5 C | | • | C | 30,000 | 9 0 | | 0 | 30,000 | - | | C | 0 0 | | 428,000 | | | | | חרג | ë e | . 0 | 0 | 20,000 | 000'09 | • | 20,000 | 5 6 | > C | 150,000 | ٠. |
| ٠ | Projected | JUNE | 20,000 | 000'01 | 44,000 | 0 | 30,000 | 50,000 | • | 54,000 | 30.000 | 20,000 | 70,000 | 0 0 | . | 0 | 6 | 30,000 | • | 0 0 | 0 | 30,000 | 0 0 | | 0 | 0 : | ο . | <u>0</u> 438,000 | | | ,io | | JUNE | - c | | 0 | 50,000 | 000'09 | 0 | 20,000 | o (| 5 6 | 000'051 | |
| | Projected | MAY | 20,000 | 0 00 01 | 44,000 | 0 | 00000 | 50,000 | 0 | 54,000 | 30 000 | 20,000 | 70,000 | 0 | 5 C | | 0 | 40,000 | 0 | 0 0 | 0 | 30,000 | C (| 0 0 | C | 0 | 0 | <u>0</u> 458,000 | | | | | MAX | 0 0 | • | 0 | 20,000 | 20,000 | occino. | 20,000 | 0 | o (| 000'051 | |
| | Projected | APRII. | 10 | e c | 44,000 | 0 | | 000 | - | ۶, | () | 2000 | . 000 | | | | О | 40,000 | O Hartel | | | 30,000 | 0 (| 0 0 | 0 | 0 | 0 | 438,000 | • | ~96 | (***** | Živeri | APRIL | - | | 0 | 20,000 | 20,000 | 0 | 20,000 | о ~ | | 150,000 | |
| rions | | | 20,000 | 0 | 44,000 | 0 | 20.000 | 000 05 | 9 | 54,000 | 0 00 | 20,000 | 70,000 | 0 | O 6 | 3 0 | 0 | 40,000 | • | 0 | | 30,000 | C . | | 0 | 0 | 0 | 000************************************ | | | | *- | MARCH | · · | | ه د د | 50,000 | 000'03 | 000,00 | 20,000 | 0 | C . | 000 051 | ! |
| PROJECT | Projected | | 20,000 | e ' | 44,000 | 0 | 20,000 | 000 05 | onninc 0 | 54,000 | 0 | 30,000 | 20,000 | 0 | c 6 | - - | . 0 | 40,000 | 0 | 0 | | 30,000 | С | 0 0 | | | 0 | 408.000 | | | | | FEB | 0 | - 0 | 20,000 | 50.000 | 20,000 | 000'09 | 20,000 | 0 | 10,000 | 000 090 | ************************************** |
| TONNAGE PROJECTIONS | Projected | | 20,000 | 20,000 | 0 44,000 | C | 20,000 | 0 00 | 40,500 | 54,000 | 50,000 | 20,000 | 62.000 | 20,000 | 20,000 | c = | | 30,000 | • | 0 | c = | 30,000 | Ċ | 0 6 | o c | · • | 0 | 005 005 | 000,040 | | | | NAL | • | 68 134 | 55.825 | C | 0 | 000,000 | 0 ; | 0 | 20,000 | | 796,817 |
| | Chatture> | | 12700 | 12500 | 12500 | 12600 | 12500 | 12500 | 12700 | 12600 | 12700 | 12600 | 12700 | 12200 | 12200 | 12600 | 00671 | 12500 | 12600 | 12500 | 12000 | 12200 | 12000 | 12800 | 12500 | 12500 | 12000 | 12500 | | | | | BTU | 12600 | 12600 | 11800 | 12700 | 12600 | 12800 | 12500 | 12200 | | 12600 . | |
| 300 | | SCE&G | SUPPLIER | | | | 1 | | | | | | | | | | | | | | | | 1 | | | | | Blank | 101AL SCB&G | | | | GENCO | | | | | | | | | | INVENTORY / | TOTAL GENCO |

| | \$44.77 | \$45.00 | \$44.45 | \$49.36 \$49.12 | \$49.36 | Coal Cost |
|---|---------|---------|---------|-----------------|-------------------------|---|
| Ħ | MAX | APRIL | MARCH | FEB | JAN | . 300Z |
| | | | | OMPANY | IC & GAS C ATING CON | SOUTH CAROLINA ELECTRIC & GAS COMPANY SOUTH CAROLINA GENERATING COMPANY |
| | | | | | CHI COSTS | FORECAST OF COAL / FREIGHT CUSTS |

. . . .

| 2005 | NAL | FEB | MARCH | APRIL | MAX | JUNE | TOLY | AUG | SEPT | DCT | NOV | DEC |
|------------------|--------------------|--------------|--|--|--|--|---|--------------|--|---|--|--|
| | | | 97 77 2 | 648.00 | 544 77 | \$44.48 | \$44.72 | \$44.67 | \$44.74 | \$44.74 | \$44.86 | \$44.74 |
| Coal Cost | \$49.36 | 77.75 | CT - T - T - T - T - T - T - T - T - T - | 943.00 | | | | | 610 70 | 643 64 | 613 00 | 643.04 |
| Freight Cost | \$12.38 | \$12.82 | \$14.10 | \$13.75 | \$13.75 | \$13.78 | \$13.78 | \$13.7 | \$15.70 | 9 3.0 | 9.00 | 200 |
| Total Cost | \$61.74 | \$61.94 | \$58.55 | \$58.75 | \$58.52 | \$58.28 | \$58.50 | \$58.44 | \$58.52 | \$58.25 | 558.66 | \$58.55 |
| D'TY1 | 12 437 | 12.554 | 12,633 | 12,629 | 12,627 | 12,631 | 12,633 | 12,629 | 12,633 | 12,633 | 12,631 | 12,633 |
| C/MBTU>> | \$2.4821 | \$2.4669 | \$2.3173 | \$2,3260 | \$2.3173 | \$2,3062 | \$2.3154 | \$2.3137 | \$2.3162 | \$2.3055 | \$2.3221 | \$2.3173 |
| • | | | | | | | | | | | 200 | 000 |
| Tons Purchased | 709,467 | 678,000 | 578,000 | 598,000 | 608,000 | 588,000 | 578,000 | 508,000 | 578,000 | 578,000 | ONO SAC | 2/8/00 |
| Ending Inventory | 593 649 | 847,061 | 965,990 | 1,088,618 | 1,045,789 | 1,004,340 | 928,004 | 869,291 | 856,228 | 905,189 | 958,954 | 937,687 |
| Cash Needs | \$43,802,478 | \$41,995,320 | \$33,841,900 | \$35,132,500 | \$35,580,160 | \$34,256,880 | \$33,813,000 | \$34,947,120 | \$33,824,560 | \$33,668,500 | \$34,492,080 | \$33,841,900 |
| | | | 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 | ************************************** | ************************************** | ************************************** | ************************************** | | ************************************** | 1000 1000 1000 1000 1000 1000 1000 100 | ************************************** | ************************************** |
| 9000 | NAL | HER | MARCH | APRIL | MAY | JUNE | TOLY | AUG | SEPT | OCT | NOV | DEC |
| AWA AWAR | £43 24 | \$43.24 | \$42.01 | \$43.62 | \$44.80 | \$44.90 | \$45.30 | \$45.30 | \$45.77 | \$45.77 | \$45.77 | \$45.77 |
| Forth Cost | \$14.21 | \$14.21 | \$13.68 | \$13.34 | \$13.89 | \$13.89 | \$13.93 | \$13.93 | \$13.91 | \$14.00 | \$14:00 | \$14.00 |
| Freignt Cost | \$17.21 \$67.45 | \$57.45 | \$55.69 | \$56.98 | \$58.79 | \$58.79 | \$59.23 | \$59.23 | \$59.68 | \$59.77 | \$59.77 | \$59.77 |
| PTI | 12 621 | 12.621 | 12,621 | 12,637 | 12,637 | 12,637 | 12,637 | 12,837 | 12,843 | 12,643 | 12,643 | 12,643 |
| CMRTII>> | \$2.2760 | \$2.2760 | \$2.2082 | \$2.2537 | \$2.3261 | \$2.3261 | \$2.3435 | \$2.3435 | \$2,3602 | \$2.3638 | \$2.3638 | \$2.3838 |
| | i i | | | | | | | | | | | |
| Tons Purchased | 543,000 | 543,000 | 543,000 | 523,000 | 523,000 | 523,000 | 523,000 | 523,000 | 503,000 | 503,000 | 503,000 | 503,000 |
| Ending Inventory | 932,428 | 1,063,568 | 1,191,480 | 1,319,164 | 1,286,590 | 1,203,957 | 1,089,262 | 965,401 | 900,443 | 851,419 | 850,011 | 827,833 |
| Cash Needs | \$31,185,350 | \$31,195,350 | \$30,239,670 | \$29,790,080 | \$30,747,170 | \$30,747,170 | \$30,977,290 | \$30,977,290 | \$30,019,040 | \$30,064,310 | \$30,084,310 | \$30,064,310 |
| | - 100 | 100 | | | | | 2000 2000 2000 2000 2000 2000 2000 200 | | ***** **** **** **** **** **** **** **** | ************************************** | ************************************** | |
| 2007 | JAN | FEB | MARCH | APRIL | MAY | JUNE | TOLY | AUG | SEPT | OCT | NOV | DEC |
| Coal Cost | \$48.37 | \$48.37 | \$48.37 | \$48.49 | \$48.49 | \$48.49 | \$48.88 | \$48.88 | \$48.34 | . \$48.34 | \$48.34 | \$48.34 |
| Traight Cost | \$14.41 | \$14.41 | \$14.41 | \$14.04 | \$14.04 | \$14.04 | \$14.04 | \$14.04 | \$14.04 | \$14.05 | \$14.05 | \$13.77 |
| Total Cost | \$62.78 | \$62.78 | \$62.78 | \$62.53 | \$62.53 | \$62.53 | \$62.92 | \$62.92 | \$62.38 | \$62.39 | \$62.39 | \$62.11 |
| RTI | 12.649 | 12,649 | 12,640 | 12,648 | 12,846 | 12,648 | 12,646 | 12,646 | 12,646 | 12,646 | 12,648 | 12,646 |
| C/MBTU >> | \$2.4816 | \$2,4816 | \$2.4816 | \$2.4723 | \$2.4723 | \$2.4723 | \$2.4877 | \$2.4877 | \$2.4664 | \$2.4668 | \$2.4668 | \$2.4557 |
| | 000 | 000 803 | 000 | 533 000 | 633 000 | 533 000 | 533.000 | 533.000 | 533,000 | 533,000 | 533,000 | 533,000 |
| Lons Furchased | 902,624 | 013 712 | 1 021 626 | 1 159 310 | 1,136,736 | 1.064.103 | 959,408 | 845,547 | 810,589 | 791,565 | 820,157 | 827,979 |
| Cash Needs | | \$32,833,940 | \$32,833,940 | \$33,328,490 | \$33,328,490 | \$33,328,490 | \$33,538,380 | \$33,536,360 | \$33,248,540 | \$33,253,870 | \$33,253,870 | \$33,104,630 |



Charles L.A. Terreni

The Public Service Commission State of South Carolina

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Chief Clerk / Administrator Phone: (803) 896-5133 Fax: (803) 896-5246

January 21, 2005

IN RE: DOCKET NO. 2005-2-E -South Carolina Electric & Gas Company - Annual Review of Base Rates for Fuel Costs.

TO: ALL PARTIES OF RECORD

Pursuant to 26 S. C. Code Ann. Regs. 103-869(C)(Supp.2003):

- 1. The **Applicant** must prefile with the Commission 25 copies of the direct testimony and exhibits of the witnesses it intends to present and serve the testimony and exhibits of the witnesses on all Parties of Record on or before **March 2, 2005** (may be post-marked on this date).
- 2. **All Other Parties of Record** must prefile with the Commission 25 copies of the direct testimony and exhibits of the witnesses it intends to present and serve the testimony and exhibits of the witnesses on all Parties of Record on or before **March 16, 2005** (may be post-marked on this date).
- 3. Parties filing **Rebuttal Testimony** must prefile with the Commission 25 copies of the testimony and exhibits of the witnesses it intends to present and serve the testimony and exhibits of the witnesses on all Parties of Record on or before **March 23, 2005** (Rebuttal testimony and exhibits must be in the offices of the Commission and in the hands of the parties on these dates).
- 4. Parties filing **Surrebuttal Testimony** must prefile with the Commission 25 copies of the testimony and exhibits of the witnesses it intends to present and serve the testimony and exhibits of the witnesses on all Parties of Record on or before **March 28, 2005** (Surrebuttal testimony and exhibits must be in the offices of the Commission and in the hands of the parties on these dates).

Please be advised that failure to comply with the instructions contained herein could result in your proposed witnesses' testimony and exhibits being excluded in the subject proceeding.

Yours Truly,

JAMES E. SPEARMAN, Ph.D.

Executive Assistant to Commissioners/

lance & Spearms

Sr. Technical Advisor

c: Docketing Department Legal Dept.Office of Special Assistants

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2005-2-E

| IN RE: |) |
|--|------------------------------|
| South Carolina Electric & Gas Company - Annual Review of Base Rates for Fuel Costs |) CERTIFICATE OF SERVICE)) |
| |) |

This is to certify that I, an employee of the law firm of Willoughby & Hoefer, P.A., have served this day Response in Opposition to SMI Steel's and SCEUC'S Joint Motion to Postpone Hearing upon the persons named below, at the addresses set forth, via the service means indicated:

I. VIA HAND DELIVERY AND E-MAIL

Florence Belser, Esquire General Counsel Office of Regulatory Staff 1441 Main Street (Suite 300) Columbia, SC 29201

Representing South Carolina Energy Users Committee

Scott Elliott, Esquire Elliott & Elliott, P.A. 721 Olive Street Columbia, SC 29205

Representing SMI Steel

John F. Beach, Esquire

Ellis, Lawhorne & Sims, P.A.

1501 Main Street (5th Floor)

Columbia, SC 29201

II. VIA U.S. MAIL AND E-MAIL

Damon E. Xenopoulos, Esquire Brickfield, Burchette, Ritts & Stone, P.C. 1025 Thomas Jefferson Street, NW Eight Floor – West Tower Washington, DC 20007

Jessica M. Burgoyne

March 21, 2005 Columbia, South Carolina